

Message Text

LIMITED OFFICIAL USE

PAGE 01 LONDON 09879 01 OF 02 261746Z

45

ACTION EUR-12

INFO OCT-01 ISO-00 AGR-05 CEA-01 CIAE-00 COME-00 DODE-00

EB-07 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00

NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04 TRSE-00

USIA-06 PRS-01 SP-02 FEAE-00 OMB-01 XMB-02 IO-10 /103 W

----- 065684

R 261732Z JUN 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 2389

LIMITED OFFICIAL USE SECTION 01 OF 02 LONDON 09879

DEPARTMENT PASS TREASURY AND FRB

E.O. 11652: N/A

TAGS: EFIN, UK

SUBJECT: INDUSTRY BILL; GOVERNMENT MODIFICATION IN
ROUND FOUR. WILSON DOES IT AGAIN

SUMMARY: PRIME MINISTER WILSON ANNOUNCED YESTERDAY MODIFICATION IN THE PROPOSED INDUSTRY BILL NOW MAKING ITS WAY THROUGH THE HOUSE OF COMMONS. AMONG THE 83 CHANGES THE MOST IMPORTANT RELATE TO THE DISCLOSURE OF INFORMATION PROVISIONS WHICH WERE A PRIMARY CONCERN OF INDUSTRY. HOWEVER, THE CHANGES HAVE NOT SATISFIED SPOKESMEN FOR INDUSTRY AND APPEAR TO HAVE UPSET THE LEFT WING OF THE LABOR PARTY AT THE SAME TIME. REACTIONS FROM BOTH SIDES HAVE BEEN ADVERSE. END SUMMARY

1. IN AN EFFORT TO ALLAY CRITICISM AND BOOST BUSINESS CONFIDENCE PRIME MINISTER WILSON ANNOUNCED MODIFICATIONS IN THE INDUSTRY BILL NOW IN THE LAST STAGES OF PARLIAMENTARY CONSIDERATION.

2. THE MAIN CHANGES ANNOUNCED BY THE PRIME MINISTER ARE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LONDON 09879 01 OF 02 261746Z

CONCERNED WITH THE DISCLOSURE OF INFORMATION PROVISIONS

OF THE BILL. UNDER THE NEW PROVISIONS, THE SECRETARY OF STATE FOR INDUSTRY WILL BE GIVEN DISCRETION IN WHAT AND HOW MUCH INFORMATION GIVEN BY COMPANIES TO THE DEPARTMENT OF INDUSTRY WILL BE TRANSMITTED TO LABOR UNIONS. AS PREVIOUSLY DRAFTED, THE BILL HAD REQUIRED THAT ALL SUCH INFORMATION REQUIRED FROM COMPANIES BE TURNED OVER TO UNIONS SUBJECT TO APPEAL BY THE COMPANIES TO AN INDEPENDENT TRIBUNAL. INFORMATION WILL STILL BE REQUIRED FROM COMPANIES ON ORDER FROM THE SECRETARY OF STATE FOR INDUSTRY, SUBJECT ONLY TO A NEGATIVE RESOLUTION BY THE HOUSE OF COMMONS, BUT IT NOW NEED NOT BE TRANSMITTED IN FULL TO THE UNIONS. UNDER THE AMENDMENTS, WILSON EMPHASIZED THAT THE DISCLOSURE POWERS OF THE GOVERNMENT ARE SECONDARY AND RESERVE POWERS. THE GOVERNMENT IS LOOKING TO COOPERATION AND VOLUNTARY AGREEMENTS BETWEEN LABOR AND COMPANIES AS THE PRIMARY METHOD OF INFORMATION EXCHANGE.

3. THE INDEPENDENT COMMITTEE WHICH HAS BEEN SET UP TO HEAR APPEALS FROM COMPANIES WILL NOT NOW HAVE FINAL DECISION BUT AN ADVISORY ROLE. IT WILL ADVISE THE INDUSTRY MINISTER ON COMPANIES TO BE REQUIRED TO GIVE INFORMATION. IF THE INDUSTRY SECRETARY REQUIRES A COMPANY TO GIVE INFORMATION CONTRARY TO THE COMMITTEE'S RECOMMENDATION, THE DECISION IS SUBJECT TO A NEGATIVE RESOLUTION OF EITHER HOUSE OF PARLIAMENT.

4. IN ALL, 83 AMENDMENTS TO THE BILL WERE INTRODUCED, MOST OF WHICH ARE MINOR AND TECHNICAL. THE ONLY OTHER AMENDMENT OF MAJOR IMPORTANCE LIMITS THE NATIONAL ENTERPRISE BOARD (NEB) IN ITS ABILITIES TO PURCHASE EQUITY PARTICIPATION IN NEWSPAPERS.

5. COMMENT. THE AMENDMENTS OFFERED BY THE GOVERNMENT TO THE BILL HAVE SATISFIED NEITHER THE RIGHT NOR THE LEFT, AT LEAST PUBLICLY. THE CONFEDERATION OF BRITISH INDUSTRY (CBI) REACTED NEGATIVELY CLAIMING THAT THE AMENDMENTS GIVE EVEN MORE POWER TO THE SECRETARY OF STATE FOR INDUSTRY; A MAIN CONTENTION OF CBI FROM THE BEGINNING HAS BEEN THAT THE BILL GAVE THE INDUSTRY SECRETARY TOO MUCH POWER. CBI HAS DIRECTED ITS EFFORTS AGAINST THE BILL AT LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 LONDON 09879 01 OF 02 261746Z

MODIFYING THIS POWER AS WELL AS TRYING TO LIMIT THE PURVIEW OF THE NEB. CBI'S OTHER MAIN CRITICISM OF THE CHANGES IS THAT NEB POWER TO BUY INTO PROFITABLE INDUSTRY HAS NOT BEEN CURTAILED.

6. THE LEFT-WING TRIBUNE GROUP OF THE LABOR PARTY ALSO REACTED NEGATIVELY FEARING A WATERING-DOWN OF THE INDUSTRY BILL WHICH HAS BEEN ONE OF THE MAIN PARTS OF THE

LABOR GOVERNMENT'S PROGRAM. THE TRIBUNE SPOKESMEN VIEW THE CHANGES AS NOT SO IMPORTANT IN THEMSELVES BUT SIGNALLING A RETREAT BY THE WILSON GOVERNMENT FROM THE LABOR PARTY'S MANIFESTO, UPON WHICH THE PARTY RAN IN THE LAST GENERAL ELECTION, PROMISING EXTENSION OF GOVERNMENT PARTICIPATION AND CONTROL OF THE UK ECONOMIC AND INDUS-

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 LONDON 09879 02 OF 02 261744Z

45

ACTION EUR-12

INFO OCT-01 ISO-00 AGR-05 CEA-01 CIAE-00 COME-00 DODE-00

EB-07 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00

NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04 TRSE-00

USIA-06 PRS-01 SP-02 FEAE-00 OMB-01 XMB-02 IO-10 /103 W

----- 065701

R 261732Z JUN 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 2390

LIMITED OFFICIAL USE SECTION 02 OF 02 LONDON 09879

TRIAL STRUCTURE. THE LEFT IS ALSO TROUBLED BY THE -- PERHAPS UNRELATED -- DECISION TO DELAY UNTIL THE NEXT PARLIAMENTARY SESSION THE BILL TO NATIONALIZE THE SHIPYARDS AND AIRCRAFT INDUSTRIES. THE LABOR UNIONS HAVE ALMOST UNIVERSALLY SUPPORTED THE DISCLOSURE PROVISIONS OF THE BILL.

7. THE PRIME MINISTER IN HIS ANNOUNCEMENT EMPHASIZED THE ROLE THAT HE AND THE CABINET WOULD PLAY IN INDUSTRY POLICY AND THE IDEA OF COOPERATION AND VOLUNTARY AGREEMENT AS THE KEY TO THE GOVERNMENT'S INDUSTRY POLICY. HE ALSO STRESSED THAT THE NEB WOULD BE SUBJECT TO THE TAKEOVER PROVISIONS OF THE COMPANIES LAW AND THE TAKEOVER

CODE. WILSON OBVIOUSLY IS ATTEMPTING TO ASSUAGE THE FEARS OF BOTH SIDES IN STRESSING HIS PERSONAL CONTROL OF INDUSTRIAL POLICY. REDUCING CBI AND INDUSTRY FEARS ON ONE HAND OF ARBITRARY ACTION BY THE INDUSTRY SECRETARY. AND ON THE OTHER HAND FEARS OF THE LEFT WING THAT THE GOVERNMENT IS BACKING AWAY FROM ITS ELECTION PLEDGES. AN INDUSTRY DEPARTMENT SOURCE (PROTECT PLEASE) CONSIDERED THAT THE AMENDMENT AND THE TONE OF WILSON'S STATEMENT LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LONDON 09879 02 OF 02 261744Z

(PLUS THE TEAM RUNNING THE INDUSTRY DEPT) HAD GONE A LONG WAY TOWARD THE CBI POSITION. ERIC HEFFER, A LEADING LEFT WINGER AND FORMER JUNIOR MINISTER AT INDUSTRY, WAS QUOTED AS BEING REASONABLY SATISFIED WITH THE AMENDMENTS AND BELIEVING THAT THE GOVERNMENT HAD RESISTED MANY CBI PRESSURES.

RICHARDSON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INDUSTRY, LEGISLATIVE BILLS, CENTRAL LEGISLATURE
Control Number: n/a
Copy: SINGLE
Draft Date: 26 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: greeneet
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975LONDON09879
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750222-0468
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750614/aaaaamcs.tel
Line Count: 191
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 23 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23 JUN 2003 by CunninFX>; APPROVED <05 NOV 2003 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: INDUSTRY BILL; GOVERNMENT MODIFICATION IN ROUND FOUR. WILSON DOES IT AGAIN
TAGS: EFIN, UK
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006